IRS Useful Life

The useful life of an asset is that period during which the asset provides benefits. Estimates of useful life
consider factors such as physical wear and tear and technological changes that bear on the economic
usefulness of the asset. The thresholds represent the dollar value at which an asset is capitalized.
Purchases at less than the dollar value thresholds are treated as expenditures.

The following chart summarizes the threshold value and useful life for each type of IRS property and equipment:

EQUIPMENT	THRESHOLD VALUE	USEFUL LIFE
Mainframe Computer	No threshold	7 years
System Server		7 years
Laptop and Desktop		3 years
Telecommunications Equipment		7 years
Furniture	No threshold	8 years
Other Equipment	Purchases of Other Equipment greater than or equal to \$50,000 per requisition funding line	10 years
Internally Developed Software	Projects with an estimated cost of \$5 million per year or \$50 million over the life cycle	> 2 years
Internal Use Software	Purchases of Internal Use Software greater than or equal to \$50,000 per requisition funding line	> 2 years
Laboratory/Forensic Equipment	Purchases of Laboratory/Forensic equipment greater than or equal to \$50,000 per requisition funding line	10 years
Leasehold Improvements	Purchases of Leasehold Improvements greater than or equal to \$50,000 per requisition funding line	The shorter of the life of the leasehold improvement or the remaining term of the lease
Capital Leases	Purchases of Capital Leases greater than or equal to \$50,000 per requisition funding line	> 2 years
Working Capital Fund	N/A	N/A
Vehicles	No threshold	> 5 years

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